

Culture and Medicine

Is globalization dangerous to our health?

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When asked about globalization, Margaret Thatcher, the former Prime Minister of Great Britain, replied, "There is no alternative." Her reply was shortened to "TINA," which some people think is a newly discovered law of nature. Yet, public resistance to this new corporate-centered trade is increasing. What relevance does this have to American physicians? Does globalization affect health?

Many think about the health effects of modern global trade as involving increased pollution as corporations strive to limit environmental restraints or global warming caused by the increased reliance on cheap fossil fuels. Others focus on the changes in diet produced by genetically modified foods or the increase in the tobacco market penetration. The expansion of global cigarette exports is a dramatic example, totaling 223 billion (10^9) cigarettes in 1975 and rising to 1.1 trillion (10^{12}) cigarettes in 1996 (a 5-fold increase). Others might consider the health of child laborers in Pakistan who produce many of the disposable surgical instruments that are increasingly used in US hospitals. Or they might consider deaths from toxic exposures in poor countries as US corporations evade environmental restraints at home. One such example occurred 15 years ago in Bhopal, India, where 5 tons of poisonous methyl isocyanate gas leaked into the air from a Union Carbide pesticide plant, killing more than 3,000 people.

These effects are real, but they pale in comparison with globalization's effect on increasing inequality, the most powerful factor affecting population health and responsible for perhaps 14 to 18 million deaths a year (18% of total deaths) worldwide.¹

DANGERS OF HIERARCHY IN HEALTH

To understand this factor, we need to recognize that the health of the US population is disgracefully poor compared with that of other rich countries. In the ranking of countries by life expectancy in 1997, the United States stood 25th, behind all the other rich countries and even a few poor ones.² The country that has won the gold medal in this "health Olympics" every year since 1977, Japan, is also tied for the gold medal in the "smoking Olympics." That is, the prevalence of smoking in Japan is tied with that in China as the highest in the world and 3 times that of the United States; yet, the Japanese do not die of smoking-related diseases to the extent that Americans do. Lung cancer mortality rates in Japan are one half to one third of those in the United States. How does Japan do it?

The answer is simple. The health of populations in rich countries is determined primarily not by the health care

Summary points

- Determinants of population health differ from those affecting individual health
- Population health in rich countries is determined primarily by the size of the gap between rich and poor
- The United States ranks behind all other rich countries and a few poor ones in health outcomes such as life expectancy
- Globalization, or corporate-centered trade, increases the gap between the rich and poor within and among countries
- Policies that promote substantial corporate subsidies and increase the rich-poor gap can be changed to improve population health

system—we have the most sophisticated and expensive, so it cannot be that—or by individual risk factors such as smoking, but rather, by the gap between the rich and the poor. Many recent studies show that populations with a greater income hierarchy are less healthy, and specifically have shorter lives, than populations that are more equitable.³ These studies have looked at mortality and income distributions among countries, within countries such as each of the 50 US states, and within 282 standard metropolitan areas (US cities). They have also looked at homicide rates, teen births, and specific diseases. Independent investigators have studied many different populations using different methods, and all agree: the strongest factor affecting health is the size of the gap between the rich and poor. Other studies suggest physiologic mechanisms through which greater hierarchy results in worse health and posit that humans are by nature egalitarian.⁴⁻⁶ The analysis has the same level of validity as the relationship between smoking and lung cancer, using the criteria postulated in this country by the Surgeon General's report in 1964. (The data and scientific analyses can be seen at <http://depts.washington.edu/eqlhth>.)

THE WEALTH AND INCOME GAP

The United States has the greatest wealth and income gap of any rich country, which is the main explanation for its dismal health ranking among developed countries. We did not always fare so poorly: in 1960, we were 13th.⁷ As our wealth and income gap have grown,⁸ so has our distance from the healthiest country. After the second world war, Japan restructured its economy to be egalitarian. Today, during its economic crisis, managers and chief executive officers are taking cuts in pay rather than laying off workers, something that is inconceivable in the United States

(Market Reform for Economic Survival: "Constancy and change in Japanese management," *Japan Echo* 1999 April;26:26-28).

Most countries in the world are poor, with most people subsisting to produce their own food, often supplementing their income by sending family members to cities to work in factories or abroad and sometimes by engaging in illicit commerce. In some countries, such as Nigeria with its oil riches, immense wealth lines the pockets of only a few people. In poor countries, the evidence suggests that equitable development that focuses on providing basic needs is the route to improving the population's health.^{9,10}

THE PROBLEMS WITH CORPORATE-CENTERED TRADE

In the past 1 or 2 decades, world trade could be more accurately described as trade that is corporate-centered. This change began in the mid-1970s and was boosted by the economic policies of Thatcher in Great Britain and Ronald Reagan in the United States. Today the dogma governing economic activity, deemed the "Washington consensus," is founded on the principle that the market knows best and should govern the world.¹¹ The implicit assumptions are that economic transactions involve a

buyer and a seller who are on an equal footing and that the price accurately reflects the cost. The influence of indirect subsidies in tipping the scales is overlooked, as shown by countless examples. In 1995 Boeing, one of this country's largest exporters and most successful corporations, received a tax credit of more than \$33 million. In 1999 Microsoft, another highly successful company, increased profits by 71% in 1999 over the previous year, yet paid \$226 million less in federal tax.¹² "Flexible taxation" is just one of the many ways in which the public subsidizes economic activity. Of the world's 100 largest corporations, 20 would have gone bankrupt without such assistance.¹³

This so-called free trade in poor countries has produced great wealth for multinational corporations and provided low-wage jobs that keep many people in poverty. Among countries, the gap between the richest and the poorest fifth was 3 to 1 in 1827, rising to 30 to 1 in 1960, to 60 to 1 in 1990, and to 76 to 1 in 1997.² Recent studies have shown that where there is increased penetration of foreign investment in poor countries, slower economic growth and greater inequality result.¹⁴⁻¹⁷ Global economic greed is the problem.

But what of the effects of global trade in rich countries? In the past 25 years, during which globalization has become common parlance, most people in the United States have seen a decline or stagnation in incomes after adjusting for inflation. This has come during a period of record profits for corporations and a booming stock market. According to economist Edward Wolff, 95% of American households had a decline in their net worth from 1983 to 1995.¹⁸ The United States has begun to look more and more like a third world economy, with a fabulously wealthy elite few surrounded by a mass of people not sharing in the globalized pie. The top 1% of families in this country holds more than 40% of the wealth.

What are the population health effects of corporate-centered economic policies? In rich countries, capital (material wealth, monetary, and other) is abundant, whereas in poor countries, labor is plentiful. Production moves to poor countries where labor is cheapest. Free trade in goods and services leads businesses to produce goods that are capital-intensive in high-wage countries but labor-intensive in poor ones. Benefits from trade and investment generally flow to the rich countries rather than to poor ones, and thus, income inequality among countries is increased.¹⁹ Within poor countries, more people have been displaced from their subsistence economies than have been able to find jobs in the manufacturing sectors in overcrowded cities.²⁰ In poor countries, as an elite profits immensely from this shift, the income gaps in those countries increase. In rich countries, the demand for labor is lowered, wages become relatively depressed, and income inequality increases.¹⁷ For most of the world's people, it is a lose-lose situation.



Pascale Guyot/AFP

Bill Gates of Microsoft: his company enjoys "flexible taxation"



Deshakulyan Chowdhury/AFP

Ravi Pradhan, age 10, makes 25 rupees (less than \$1) per day taking plastic to a recycling center in Calcutta

HOW ARE PHYSICIANS AFFECTED?

Physicians recognize that the advice a cell biologist would give to, say, a cardiac muscle cell to be healthy—trap all glucose and oxygen available, but avoid free radicals—is not the best advice for the collection of cells that makes up a human being. Unfortunately, today we are doing just that, as shown by our rising rates of obesity. Health professionals need to understand that what seems best for an individual patient (the usual do's and don'ts) may not benefit the population, if the goal is to maximize its health. Individual risk factors need to be de-emphasized and population risk factors addressed. The most important risk factor is the gap between the rich and poor.

Genuine, widespread improvements in health and quality of life will take structural changes in the distribution of income and wealth. The evidence is clear that in rich countries, health care has not had a major effect on reducing mortality in populations, and in poor countries, the effect pales to that obtained by equitably distributing the fruits of economic growth.

Alex Carey, an Australian sociologist, remarked that the 20th century will be remembered for 3 developments: the growth of democratic processes, the growth of huge corporations, and the creation of ways in which corporations could ignore democracy.²¹ An alternative to corpo-

rate-centered trade requires rethinking economic policies whose major effect has been to increase inequality worldwide. Calling it the "free market" hides extensive indirect subsidies to corporations. The size of the economic gap is the critical factor affecting population and policies that increase that gap limit health improvements.

If a healthy population is our goal, the winds of health policy are taking us in the wrong direction. We need vigorous debate over who is subsidized and by how much. Changing who shares the benefits in the world economy today is the challenge of the new century. The health of our nation and our people depends on it.

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